



# Cimmco Limited

Annual Report 2017 - 2018

## CONTENTS

Corporate Information	1
Notice	2
Directors' Report & Management Discussion and Analysis	9
Annexures to Directors' Report	14
Corporate Governance Report	24
Independent Auditors' Report	35
Balance Sheet	40
Statement of Profit & Loss	41
Statement of Changes in Equity	42
Cash Flow Statement	43
Notes to Financial Statements	44

## CORPORATE INFORMATION\*



### Board of Directors

Shri J P Chowdhary .....	<i>Executive Chairman</i>
Shri Umesh Chowdhary.....	<i>Vice Chairman</i>
Shri K S B Sanyal .....	<i>Independent Director</i>
Shri Jagdish Kumar Shukla .....	<i>Independent Director</i>
Shri Nandan Bhattacharya.....	<i>Independent Director</i>
Dr. G B Rao .....	<i>Independent Director</i>
Shri M J Z Mowla .....	<i>Independent Director</i>
Shri R N Tiwari .....	<i>Director (Works)</i>
Smt. Vinita Bajoria.....	<i>Non-Executive Director</i>
Shri Anil Kumar Agarwal .....	<i>Wholetime Director</i>

**Chief Financial Officer**  
Shri Vineet Mohta

**Company Secretary**  
Shri Dipankar Ganguly

**Audit Committee**  
Shri J K Shukla *Chairman*  
Shri K S B Sanyal *Member*  
Shri Anil Kumar Agarwal *Member*  
Shri Nandan Bhattacharya *Member*

**Nomination &  
Remuneration Committee**  
Shri K S B Sanyal *Chairman*  
Shri J K Shukla *Member*  
Shri M J Z Mowla *Member*

**Stakeholders'  
Relationship Committee**  
Shri J K Shukla *Chairman*  
Shri M J Z Mowla *Member*  
Shri Umesh Chowdhary *Member*

**Auditors**  
Price Waterhouse & Co Chartered Accountants LLP  
**Bankers**  
ICICI Bank  
Syndicate Bank  
IndusInd Bank

**Works**  
Mal Godown Road  
Bharatpur-321001  
Rajasthan  
Phone : (05644)238756  
Fax : (05644) 238757

**Registered Office**  
**Cimmco Limited**  
CIN : L28910WB1943PLC168801  
756, Anandapur, E M Bypass, Kolkata-700107  
Telephone: +91 33 4019 0800  
Fax: +91 33 4019 0823, Email: corp@cimmco.in  
Website : www.cimmco.in

**Registrar and Transfer Agent (RTA)**  
Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad 500 032  
Phone: +91 40 6716 2222, Fax: +91 40 2300 1153  
E-mail for Investors: einward.ris@karvy.com

\*as on 10th August, 2018

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Seventy-Third Annual General Meeting** of the members of **CIMMCO LIMITED** will be held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata-700020 (Landmark : Near Nehru Children's Museum) on Saturday, the 29th September, 2018 at 2.00 P.M. to transact the following businesses :

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt Vinita Bajoria (DIN: 02412990) who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint the Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 40 of the Companies (Amendment) Act, 2017 read together with Section 139 of the Companies Act, 2013 (as amended) and other applicable provisions, if any, and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the resolution passed by the members of the Company at the 72nd Annual General Meeting held on 31st July, 2017, the Company hereby dispenses with the requirement of ratification of the appointment of Price Waterhouse & Co. Chartered Accountants LLP (FRN-304026E/E-300009), as the Statutory Auditors of the Company."

### SPECIAL BUSINESS :

4. **To consider the continuation of appointment of Shri Nandan Bhattacharya as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to continuation of the appointment of Shri Nandan Bhattacharya (DIN: 00313590), Independent Director of the Company, who has attained the age of 78 years for the remaining term of his tenure of office i.e. upto 31st March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. **To re-appoint Shri J K Shukla as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri J K Shukla (DIN:01780212) who was appointed as an Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company w.e.f. 1st April, 2019, not liable to retire by rotation to hold office for a term of 5 (five) years ending on the 31st March, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. **To re-appoint Shri K S B Sanyal as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri K S B Sanyal (DIN:00009497) who was appointed as an Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, w.e.f. 1st April, 2019, not liable to retire by rotation to hold office for a term of 5 (five) years ending on the 31st March, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. **To re-appoint Dr. G B Rao as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Dr. G B Rao (DIN:00493992) who was appointed as an Independent Director and

## NOTICE OF ANNUAL GENERAL MEETING

who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, w.e.f. 1st April, 2019, not liable to retire by rotation to hold office for a second term of 5 (five) years ending on the 31st March, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**8. To re-appoint Shri M J Z Mowla as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ('the Act') and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri M J Z Mowla (DIN:01004409) who was appointed as an Independent Director and who holds office upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company w.e.f. 1st April, 2019, not liable to retire by rotation to hold office for a second term of 5 (five) years ending on the 31st March, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**9. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :**

**"RESOLVED THAT** pursuant to the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other provisions as may be applicable, the consent of the members be and is hereby accorded to enter into an arrangement with Titagarh Wagons Limited (TWL), the Holding Company, for TWL giving a guarantee in favour of IndusInd Bank Limited ('the Bank') for the purpose of securing the various credit facilities upto a maximum principal amount of Rs. 225 crore (Rupees Two Hundred and Twenty Five Crore only) granted by the Bank to the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such necessary steps in this regard and to settle all matters arising out of and incidental thereto, and to sign and execute all applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Managing Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

**10. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request along with the requisite fee being duly received by the Company at least one week in advance of the despatch of the document by the Company to the shareholder.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above Resolution."

**11. To ratify the remuneration of Cost Auditor and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to payment of Rs. 1,00,000 (Rupees One Lakh only) as remuneration plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be incurred by the firm, payable to M.R. Vyas and Associates; Cost Accountants (Registration No: 2032) of D-219, Vivek Vihar, Phase -I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2018-19 be and is hereby ratified."

Registered Office :  
756 Anandapur,  
E M Bypass, Kolkata -700107  
Place : Kolkata  
Date : August 10, 2018

By Order of the Board of Directors  
**Dipankar Ganguly**  
Company Secretary

## NOTICE OF ANNUAL GENERAL MEETING

### Important Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Members/Proxies/Authorised Representative should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 22nd day of September, 2018 to Saturday, 29th day of September, 2018 (both days inclusive), for the purpose of holding the Annual General Meeting.
4. The Company shall also display full text of these communications/ documents/ reports at its website [www.cimmco.in](http://www.cimmco.in) and physical copies of such communications/ documents/ Annual Reports will be made available at the Registered Office of the Company for inspection by the shareholders during the office hours on working days.  
Please note that as a member of the Company upon receipt of request, you will be entitled to receive free of cost, copy of such communications/documents/Annual Reports and all other documents required to be attached thereto.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for FY 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2017-18 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 73rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 73rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 73rd Annual General Meeting and the Annual Report for FY 2017-18 will also be available on the Company's website [www.cimmco.in](http://www.cimmco.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
11. Voting through electronic means:
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 73rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited.
  - B. **The remote e-voting period commences at 9:00 a.m. on Tuesday, the 25th September, 2018 and ends at 5:00 p.m. on Friday, the 28th September, 2018. The remote e-voting module shall be disabled by Karvy for voting thereafter.**
  - C. During the remote e-voting period, members of the company holding shares either in physical form or dematerialized form as on the cut-off date i.e. Saturday, the 22nd September, 2018 may cast their vote electronically.
  - D. **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
  - E. **Voting rights of the members shall be in proportion to their respective shareholding as on the cut-off date i.e. Saturday, the 22nd September, 2018.**
  - F. The facility for voting through polling papers shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.
  - G. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.

## NOTICE OF ANNUAL GENERAL MEETING

- H. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Saturday, the 22nd September, 2018 should follow the instructions for e-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Share Transfer Agent.
- I. The Board of Directors has, at its meeting held on 10th August, 2018 appointed M/s. Sushil Goyal & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- J. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.
- K. The instructions for Shareholders voting electronically are as under :
- A. In case a member receiving an email of the AGM Notice from Karvy [for members whose email IDs are registered with the Depository Participant(s)]:
    - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - ii. Enter the login credentials (i.e., User ID and password). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, Click on "LOGIN".
    - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the "EVENT" i.e., CIMMCO LIMITED.
    - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - ix. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution.
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at the email ID: [csskgoyal@gmail.com](mailto:csskgoyal@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
  - xiii. In case a person has become a Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. Saturday, the 22nd September, 2018, he may write to the Karvy on the email: [evoting@karvy.com](mailto:evoting@karvy.com) or to Mr. N. Shyam, Contact No: 040-67162222, at [Unit: Cimmco Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, requesting for the UserID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post/Courier [for Members whose email IDs are not registered with the Depository Participant(s)] :
- i. User ID and initial password as provided at the bottom of the Attendance Slip:
- | EVEN (E-Voting Event Number) | USER ID | PASSWORD/PIN |
|------------------------------|---------|--------------|
|                              |         |              |
- ii. Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.

## NOTICE OF ANNUAL GENERAL MEETING

- L. The e-voting period commences at 9:00 a.m. on Tuesday, the 25th September, 2018 and ends at 5:00 p.m. on Friday, the 28th September, 2018. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Saturday, the 22nd September, 2018 may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- M. In case of any query pertaining to e-voting, please visit Help & FAQ's section of [https:// evoting.karvy.com](https://evoting.karvy.com). (Karvy's website).
- N. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Saturday, the 22nd September, 2018.
- The Company has appointed M/s. Sushil Goyal & Co. Practicing Company Secretaries as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three working days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit it to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.
- O. The results so declared along with Scrutinizer's Report shall be placed on the website link: <https://evoting.karvy.com> and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the BSE and NSE and other stock exchanges whereat the Company's shares are listed.
12. Members are requested to preferably send their queries to the registered office of the company atleast 7 days before the date of AGM.
13. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Registered office of the Company during 10:30 A.M. to 1:00 P.M. on all working days.
14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Businesses at the meeting is annexed hereto.

### EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES SET OUT IN THE NOTICE PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO.4

Shri Nandan Bhattacharya was appointed as an Independent Director of the Company w.e.f. 24th September, 2015 in terms of the provisions of Sections 149 and 161 of the Act and Article 137 of the Articles of Association of the Company for a term upto September 23, 2020 for five consecutive years.

The Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified on 9th May, 2018, provides that the shareholders shall pass a Special Resolution in their General Meeting to appoint or continue the appointment of a Non-Executive Director who has attained the age of 75 years. Shri Nandan Bhattacharya is at present 78 years of age and therefore, the consent of shareholders of the Company, by way of Special Resolution is hereby sought.

The Nomination and Remuneration Committee at its meeting held on 10th August, 2018 on the basis of the performance evaluation of Shri Bhattacharya, given his background, experience and contributions made by him during his tenure has recommended his re-appointment as Non-Executive Director (Category: Independent) of the Company.

The Company has also received declarations from Shri Bhattacharya that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Shri Bhattacharya holds a Bachelor's degree in Engineering with specialization in telecommunication and electronics from Jadavpur University, Kolkata. He has over 48 years of experience in manufacturing, industrial promotion and service.

Except Shri Bhattacharya to the extent of his appointment, none of the Directors or KMP or their relatives are in any way concerned or interested in the resolution set out at the Item No. 4.

The Directors recommend passing of the aforesaid Special Resolution.

#### ITEM NOS. 5, 6, 7 and 8

Shri J K Shukla (DIN: 01780212), Shri K S B Sanyal (DIN: 00009497), Dr. G B Rao (DIN: 00493992) and Shri M J Z Mowla (DIN: 01004409) were appointed as Independent Directors on the Board of the Company w.e.f. 31st March 2009, 24th March 2012, 31st March, 2011 and 8th November, 2011 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges, for a term of five years each.

The above named Independent Directors hold office till 31st March, 2019 and in terms of Section 149 of the Companies Act, 2013 are eligible for re-appointment for a second term of five years upto 31st March, 2024. In the opinion of the Board, the aforesaid Directors fulfil the conditions specified in the Act and rules made thereunder and the SEBI (LODR) Regulations, 2015 for their respective appointment as Independent Directors of the Company.

The Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified on 9th May, 2018, provides

## NOTICE OF ANNUAL GENERAL MEETING

that the shareholders shall pass a Special Resolution in their General Meeting to appoint or continue the appointment of a Non-Executive Director who has attained the age of 75 years. Shri K S B Sanyal and J K Shukla have already attained 75 years of age and Dr. G B Rao and Shri M J Z Mowla will be above 75 years of age in 2019 and 2020 respectively. Therefore, the consent of shareholders of the Company by way of Special Resolution is hereby sought.

Shri J K Shukla aged 75 years is a retired executive of Life Insurance Corporation of India (LIC) with vast experience and expertise in corporate management.

Shri K S B Sanyal aged 86 years, holds master degree in English Literature and is also CBIM, FIP (London). He was Chairman of Andrew Yule & Company Limited and Tide Water Oil Co. India Limited. He has over 48 years of experience as a Professional Manager. He was also Sheriff of Kolkata (1986-87).

Dr. G B Rao aged 74 years has 49 years experience in senior positions in finance, legal and general management. He is B.Com., a fellow member of ICAI, ICWAI, ICSI, IIFT, IIA BIM(London), IIA (USA) and has been a member of Government of India, Ministry of Company Affairs- "Core Group on Corporate Governance Audit" and is professionally associated with other prestigious Authorities/Bodies.

Shri M J Z Mowla aged 73 years is B.A. (Hons), LLB. He has expertise in legal, corporate and General Management with about 44 long years of experience and has served Bata Limited in the past.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in the Board's Report. Section 149(11) provides that an Independent Director shall hold office upto two consecutive terms.

The Nomination and Remuneration Committee and the Board on the basis of the performance evaluation of the Independent Directors, given their background, experience and contributions made by them during their tenure have recommended re-appointment of Shri J K Shukla, Shri K S B Sanyal, Dr. G B Rao and Shri M J Z Mowla as Independent Directors of the Company for a second term of five consecutive years, not liable to retire by rotation.

Shri J K Shukla, Shri K S B Sanyal, Dr. G B Rao and Shri M J Z Mowla are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Shri J K Shukla, Shri K S B Sanyal, Dr. G B Rao and Shri M J Z Mowla that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

None of the Directors or KMP or their relatives except Shri J K Shukla, Shri K S B Sanyal, Dr. G B Rao and Shri M J Z Mowla are concerned or interested in the resolution set out at the Items No. 5, 6, 7 and 8.

The Directors recommend passing of the aforesaid Resolutions as Special Resolutions.

### ITEM NO. 9

The Board at its meetings held on 28th October, 2017 and 14th July, 2018 decided to avail various credit facilities upto a maximum principal amount of Rs. 225 crore (Rupees Two Hundred and Twenty Five Crore) from IndusInd Bank Limited ('the Bank') for inter alia long term working capital requirement and capital expenditure of the Company. One of the terms of the sanction of the said facilities was the security by way of corporate guarantee from Titagarh Wagons Limited (TWL), the Holding Company. The Company approached TWL for support and the Board of TWL agreed to furnish the said corporate guarantee.

The said credit facilities of Rs. 225 crores (Rupees Two hundred and Twenty Five crore only) is within the aforesaid overall limit of Rs. 500 crores (Rupees Five Hundred Crores only) approved by the members of the Company by passing a special resolution under Section 180(1)(c) of the Act through postal ballot on 13th June, 2014. As per the definition given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR)'], the corporate guarantor being the Holding Company of Cimmco Limited is a related party and pursuant to the Regulation 23 of SEBI (LODR) it being a material related party transaction, the approval of the members as set out at Item No. 9 is hereby sought.

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item no. 9 for approval of the members of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 9.

### ITEM NO. 10

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office address or by such electronic or other mode as may be prescribed. Further a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined in its Annual General Meeting.

As required by the Section 20 (ibid) the shareholders' approval is being hereby sought for this item of business.

None of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested in the said Resolution.

The Directors recommend passing of the aforesaid Resolution as Ordinary Resolution.

### ITEM NO. 11

The Company with the recommendation of the Audit Committee and approval of the Board at its meeting held on 29th May, 2018, has appointed Vyas and Associates; Cost Accountants as Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs. 1,00,000/-. Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditor is to be ratified by the shareholders.

The Board recommends the resolution set forth at this Item for approval of the members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

## NOTICE OF ANNUAL GENERAL MEETING

### Details of Directors seeking appointment/Re-appointment at the Annual General Meeting:

Particulars	Shri J K Shukla	Shri M J Z Mowla	Dr. G B Rao	Shri K S B Sanyal	Shri Anil Kumar Agarwal
Date of Birth	01/07/1943	15/03/1945	18/03/1944	01/12/1932	05/07/1975
Date of Appointment	31/03/2009	08/11/2011	31/03/2011	24/03/2012	14/03/2010
Qualification	Masters in Arts (M.A.)	B.A. (Hons), LLB	B.Com, a fellow member of ICAI, ICWAI, ICSI, IIFTJIA, BIM(London), IIA(USA) and member of "Core Group on Corporate Governance Audit" Government of India, Ministry of Company Affairs	Masters Degree in English Literature and is also CBIM, FIP(London)	B.Com, Chartered Accountant and Cost Accountant
Remuneration last drawn (Rs.)*	3,20,000	2,00,000	1,40,000	2,80,000	12,00,000
Number of meetings of the Board attended during the year 2017-18 and 2018-19 (till 10th August, 2018)	9	8	8	9	9
Expertise in specific Functional Areas	He is a retired executive of Life insurance Corporation of India (LIC), with vast experience and expertise in corporate management.	He has expertise in legal, corporate and General Management with about 48 years of experience and has served Bata Limited in the past.	He has 53 years of experience in senior positions in finance, legal and general management.	He has over 48 years of experience as a Professional Manager. He was also Sheriff of Kolkata (1986-87).	He has over 20 years of experience in management field.
Directorship held in other Companies (excluding foreign companies)	Nil	Nil	- Mars Finance and Consultancy Services Limited -Landmark Property Development Company Limited	-Philips Carbon Black Limited -Woodlands Multispecialty Hospitals Limited	-Titagarh Capital Private Limited
Membership/ Chairmanship of committees of other companies (including Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Landmark Property Development Company Ltd - Chairman of Audit Committee and Stakeholders Relationship Committee	Nil	Titagarh Capital Private Limited - Member of Audit Committee
No. of Shares held in the Company	Nil	Nil	Nil	Nil	Nil

\* The Non-Executive Directors are paid sitting fees only.